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17 September 2002

Honorable James H. Welsh Commissioner of Conservation Office of Conservation P.O. Box 94275 Baton Rouge, Louisiana 70804-4275

> Re: APPLICATION FOR PUBLIC HEARING RELIANCE PETROLEUM CORPORATION UNIT WELL AT EXCEPTION TO SPACING PROVISIONS WX A2 RF SUA; COON ET AL NO. 13 NEBO-HEMPHILL FIELD LASALLE PARISH, LOUISIANA

Application is hereby made on behalf of RELIANCE PETROLEUM CORPORATION (Applicant) to the Commissioner of Conservation for calling of public hearing, after legal notice, to consider evidence relative to issuance of an order pertaining to the following matters concerning Wilcox A2 Zone, Reservoir F, SUA Nebo-Hemphill Field, LaSalle Parish, Louisiana.

- 1) To grant an exception to the spacing provision of Office of Conservation Order 781-F-48, so as to permit the applicant to recomplete, designate and utilize the Reliance Petroleum Corporation-Coon et al No. 13 well, as the fourth (4th) unit well, for production of oil and gas from the Wilcox A2 Zone, Reservoir F within the unit designated WX A2 RF SUA, Nebo-Hemphill Field, LaSalle Parish, Louisiana; such well location being shown on the attached survey plat and made a part hereof.
- 2) To determine that the requested recompletion wellbore will enable a more effective and efficient drainage of a portion of the reservoir which could not otherwise be drained by any other well located therein, absent approval of the exception to spacing provision.
- 3) To designate Reliance Petroleum Corporation as Operator of such unit well.
- 4) To consider any and all other matters as the Commissioner of Conservation may deem pertinent and appropriate concerning this application and request.

Office of Conservation Order No. 781-F was promulgated effective 01 January 1986, and established rules, regulations and created drilling/ production units for the Wilcox A through H Zones of the Reservoirs A through E, in the Nebo-Hemphill Field, LaSalle Parish, Louisiana. Item No. 6 (Finding No. 7) of Order No. 781-F provides that any future wells drilled within or outside the units created herein should be located not less than 330 feet from any unit boundary and not less than 660 feet from any other well or completed in, drilling to or for which a permit has been granted to drill to such zone, provided, however, that no unit boundary tolerance should apply to common unit boundaries of units having identical interests.

Office of Conservation Order No. 781-F-48, effective 01 August 1991, further amplified the original order (Order No. 781-F) with respect to Wilcox A1 through H Zones, Reservoir F, including WX A1 through H RF SUA. The Wilcox A2 Zone, Reservoir F, in the Nebo-Hemphill Field of LaSalle Parish, Louisiana was defined as being that oil or gas and condensate bearing interval encountered between the depths of 3353 feet and 3459 feet (electric log measurements) in the Hunt Petroleum Corporation- Goodpine F No.A-68 well, located in Section 10, Township 7 North, Range 3 East, LaSalle Parish, Louisiana.

In accordance with Item No. 3 of Order No. 781-F-48, SUA is permitted to have four (4) producing wellbores from each unit for those units WX A1 through H, including WX A2 RF. The proposed recompletion, Coon Heirs No. 13 wellbore, will be the fourth (4th) completion into WX A2 RF SUA.

Pertinent data concerning this application is available for inspection at the office of Earl W. Peavy, 1310 Pine Street Extension, Jena, Louisiana 71342. Any person wishing to inspect such data should call Earl W. Peavy at 318-992-4156 during normal business hours in order to arrange a date and time for such inspection. A copy of such pertinent data, that is otherwise not available from Office of Conservation, can be obtained at the expense of the requesting party.

The subject matter of this application does not require a pre-application notice nor pre-hearing conference. Accordingly, no notice has been issued, and it is requested that the hearing be held after the necessary ten (10) day delay following legal advertisement.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Monroe District Office of Conservation and to the Interested Owners, Interested Parties and Represented Parties as shown on the attached list.

We are enclosing our check in the amount of \$700.00, made payable to the Office of Conservation, to cover the applicable hearing fee.

Sincerely,

Earl W. Peavy for

Reliance Petroleum Corporation

cc: Charles McGough, Manager-Monroe District Office of Conservation Interested Owners, Interested Parties and Represented Parties Les Bonner, President – Reliance Petroleum Corporation, Plano, TX Encl(3)

